



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

December 09, 2021

CC:EEE:EB:HW
GENIN-123925-21

Number: **2021-0028**
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UIL: 501.09-00

Dear _____ :

I am responding to your letter dated June 03, 2021 addressed to IRS Commissioner Charles P. Rettig, on behalf of certain _____ retirees (the Retirees) who are now _____ (the Company) retirees.

Specifically, you are concerned that the Company may be improperly using assets held by a voluntary employees' beneficiary association (VEBA) to pay Company debts and benefits to individuals other than participants in the VEBA.

While I cannot respond to the Retirees' situation specifically, I can provide general information about the Internal Revenue Code (Code) and other information that may relate to their situation.

Under Section 501(c)(9) of the Code, a VEBA providing for the payment of life, sick, accident or other benefits to its participants (or their dependents or designated beneficiaries) is exempt from federal income tax if no part of the net earnings inures (other than through such payments) to the benefit of any private shareholder or individual. If you believe that the VEBA is being operated in a manner inconsistent with its tax-exempt status, you can send a letter or Form 13909, Tax-Exempt Organization Complaint (Referral), to the Exempt Organizations Examination Division at the following address:

IRS EO Classification
Mail Code 4910DAL
1100 Commerce Street
Dallas, TX 75242-1198

The letter or Form should include all of the relevant facts.

You also shared other concerns about changes the Company has made to the Retirees' health and other benefits. If you believe these changes violate the Employee Retirement Income Security Act of 1974, you can contact the Department of Labor Employee Benefits Security Administration for help or additional information at 1-866-444-3272 or online at <https://www.dol.gov/agencies/ebsa/about-ebsa/ask-a-question/ask-ebsa>.

I hope this information is helpful. If you have any questions, please contact me or
, at .

Sincerely,

/s/

Denise Trujillo
Branch Chief, Health and Welfare
Office of Associate Chief Counsel
(Employee Benefits, Exempt Organizations, and
Employment Taxes)